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Evaluation

Management response to the evaluation of UNDP contribution to environmental management for poverty reduction: the poverty-environment nexus

Context and background

1. UNDP approaches development from the perspective of sustainable human development, in which the goal is to expand human choices and freedom. The human development paradigm recognizes the multi-dimensional nature of development and envisages country, regional and global policy and programmatic responses that address development challenges holistically. A current focus of UNDP's work is to coordinate United Nations efforts to generate transformational changes that help countries achieve the entire interconnected set of Millennium Development Goals. UNDP therefore places a high value on approaches to cooperation that are comprehensive rather than piecemeal, and thus welcomes the evaluation of the UNDP contribution to environmental management for poverty reduction: the poverty-environment nexus. This evaluation focused on how the organization has addressed development challenges that bridge these two dimensions.

2. In 2009, UNDP provided support to 125 countries in the area of the environment and sustainable development. According to the 2009 UNDP Partners Survey, 93 per cent of our partners are strongly in favour of UNDP's support in this area. The evaluation focused on three initiatives. One was the Poverty-Environment Initiative (PEI), a joint programme of UNDP and the United Nations Environment Programme (UNEP). Since 2007 the Poverty-Environment Initiative has expanded to 22 countries. The other two areas of focus were UNDP's role in implementing Global Environment Facility (GEF) projects and the Small Grants Programme. The evaluation, therefore, encompassed a subset of UNDP's work in the field of poverty and the environment. It involved, inter alia, an analysis of UNDP policies, strategies and programmes at the global, regional and country levels and reviewed the implementation of related projects and cooperation with other United Nations agencies and donors in addressing the poverty-environment nexus.

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3. Since this nexus was first identified in the late 1980s there has been a shift in how the nexus is viewed. Formerly, evidence and theory focused on a two-way nexus, with poor people seen as engaged in a downward spiral of increasing poverty and environmental degradation. Now there is greater understanding of the conditioning factors. How the poverty-and-environment relationship functions in any particular region, country or local area is seen as influenced by such factors as: the availability of various ecosystem goods and services that support livelihoods; access to resources (this includes land tenure and community access rights); urban versus rural environments and related health, education, gender and welfare factors; and political economy, remittances and alternative income opportunities.

4. UNDP expects the importance of the poverty-environment relationship to grow over time as partner countries are increasingly confronted with the need to adapt to new realities related to climate-change mitigation and adaptation and the green economy. Poverty and environment issues are already woven into many UNDP programmes, but given the growing importance of the nexus, UNDP welcomes the valuable guidance provided by the evaluation for further improving UNDP policy and programmatic responses to national priorities in this field.

Achievements, recommendations and the way forward

5. There is widespread recognition that the poor, particularly poor women and girls, are affected disproportionately by environmental problems. UNDP therefore shares the view expressed in the evaluation that "addressing the poverty-environment nexus is essential to achieving UNDP's mission," and is pleased that the evaluation found the organization has been effective in advocating for a coherent approach to poverty and environmental concerns. UNDP will continue to respond in a comprehensive fashion to these interconnected development issues, taking into account other sectors, such as governance, and using a human development approach to environmental and poverty challenges and solutions.

6. Leveraging the comparative advantages of UNDP's approach to development, the organization's comprehensive response will continue to focus on:

a) **Advocating** for improved development practice that recognizes the importance of the poverty-environment nexus for effective development responses.

b) **Implementing** changes that promote inclusive development. These involve sharing UNDP's experience and knowledge on the conditioning factors influencing the poverty-environment nexus and developing rational policy approaches, including providing key monitoring indicators for programmes and projects.

c) **Building resilience and sustainability** in development by integrating the challenge of climate change into national development processes and by helping countries embark on developing their own green economies. UNDP is continuing to meet the increasing demand to provide support at the country level for integrating climate adaptation into development processes. For instance, in the Africa region alone UNDP is supporting 20 countries in their efforts to mainstream climate adaptation into national and sectoral policy.

7. The evidence to date from programmes and projects highlights both the variability of poverty-environment linkages in different countries, and how this variability has affected development policy and practice. The evaluation has highlighted positive

progress being made in systematically incorporating the poverty-environment nexus into UNDP programming, as well as the need to build on this successful work in the future. Given the increasing emphasis on accelerating progress towards the Millennium Development Goals over the final five years of that initiative, UNDP fully agrees with the need to improve knowledge management at all levels, as well as to support knowledge-sharing including via South-South cooperation. This should allow countries to make effective use of lessons learned from successful attempts to address the poverty-environment linkages and to get past the bottlenecks that stand in the way of improving livelihoods, nutrition, education, health and environmental quality.

8. A key aspect of knowledge management is being able to clearly identify good practices and lessons learned by tracking and objectively reporting on results and impacts on stakeholders. This identification process depends in turn on the existence of appropriate indicators. The evaluation finds that poverty concerns have been integrated into environmental approaches, but that environmental concerns have only to a limited extent been integrated into measurements of poverty and, therefore, into efforts to alleviate poverty. Thus there is a need for further analytical work to broaden the measurement of poverty. Although there are relatively well-established statistical methods for evaluating poverty, to date the relationship of environmental quality to poverty has been the object of only limited statistical analysis. Recent efforts by UNDP via the Poverty-Environment Initiative and the Human Development Report Office have complemented the efforts made by the World Bank and the United Nations Convention to Combat Desertification to augment the limited stock of poverty-and-environment indicators. UNDP will step up these efforts to assist national counterparts in improving how development results are measured. This will be an opportunity to further articulate the gender dimension of the poverty-environment nexus. Several countries are already being supported in their efforts to develop poverty-environment indicators relevant to their respective contexts. For instance, through technical analysis and stakeholder consultations, Kenya, Malawi, Mali, Mauritania, Mozambique, Rwanda, Tanzania and Nepal have been making progress on developing a coherent policy stance.

9. On the monitoring and reporting side, the evaluation finds that UNDP has been successful in capturing the multidimensional contributions of GEF projects by adopting terminal evaluation approaches that highlight projects' socio-economic impacts on local communities. As a key GEF partner, a partner to whom management of a significant percentage of GEF-funded projects has been entrusted, UNDP has played a significant role in promoting the identification of sustainable livelihoods as one of the important GEF strategic priorities. As GEF-5 projects are designed according to these priorities, UNDP will continue to further integrate poverty reduction and environmental protection into GEF-financed projects, aiming to generate knowledge and technical guidance on measuring progress through verifiable indicators and by evaluating the results achieved. This approach is already generating relevant socio-economic quantitative data that previously was not captured. For example, 2010 data obtained from 135 project implementation reviews (47 per cent) of GEF projects implemented by UNDP indicate that approximately 5,820 jobs have been created and 2,730 (46 per cent) of these jobs are held by women. UNDP will endeavour to complement the quantitative view with qualitative information that can help identify good practices of which greater use might be made or which can be shared across units and regions.

10. The approaches required to improve country-level programming are reflected in UNDP's Strategic Plan for 2008-2013, in which environmental mainstreaming is one of the outcomes. This outcome is to be reflected in United Nations Development Assistance Frameworks (UNDAFs), in outputs of UNDP's programming cycle (country programme

documents and country programme action plans), and in the environmental safeguards of projects. In addition, country partner governments may request support to integrate the poverty-environment dimension into national, sectoral and sub-national planning mechanisms, and this has been the focus of much of the Poverty-Environment Initiative's work.

11. UNDP welcomes the evaluation recommendation that "the Poverty-Environment Initiative represents good practices and should be scaled up to provide a model of how UNDP does business at the country level." UNDP will continue to support the PEI and the Poverty-Environment Facility (PEF) in order to bring together poverty and environment practice at the country level. For instance, to support holistic country-level poverty-environment interventions a number of successful guidance papers and publications have been developed by the Initiative. These guidance documents promote the mainstreaming of poverty-environment considerations into national development planning and budgeting, and contribute to the development of the capacities of country partners. For instance, the PEI-related country experiences and lessons learned presented at the third PEI Africa Regional Economic Forum (November 2010) showed how building capacity and supporting relevant ministries of economy, finance and planning are integral to achieving coherent poverty-environment results. Evidence was shared by Bhutan, Burkina Faso, Malawi, Mali, Mauritania, Rwanda, Tanzania and Uganda as to how effective the use of economic instruments can be in promoting the sustainable use of the environment and of natural resources. These instruments included making use of economic assessments of the environment and of natural resources; adopting budget guidelines and public-expenditure reviews regarding expenditures on the environment; and undertaking fiscal reform in this area.

12. The challenge is to ensure that the integrated approach is used at the various entry points of the UNDP country-programming system. The PEI programme is beginning a mid-term review which will assist further integration of its working methods. The results of this review will be used to integrate the poverty-and-environment dimensions into the Millennium Development Goals framework. This will include indicators that can be reflected in programming so as to achieve Millennium Development Goals outcomes at the country level. Much of this work will also be based on a case-study review of the scaling up of PEI that began in 2007.

13. In addition, it is important, on the one hand, to build the capacity of poverty specialists at country, regional and global levels so that they can take into full consideration the environmental dimension of poverty, while, on the other hand, building the capacity of environmental specialists to take poverty concerns into consideration as they respond to requests relating to issues involving the environment and natural resources. Therefore, a key action item of this response is to identify ways in which poverty programming can integrate environmental factors that can have an effect on poverty. These efforts need to be reflected in turn in poverty surveys and assessments and in reviews of public expenditures, in economic assessments and in poverty reduction strategy papers.

14. The evaluation highlighted perceived trade-offs in sustainable development approaches. These trade-offs continue to be context related and country specific. The 2010 Human Development Report has focused, and the upcoming 2011 Human Development Report will focus, on environmental, social and economic sustainability. Herein there have been and will be opportunities to demonstrate the importance of addressing and minimizing trade-offs in development planning and implementation. The measures presented in these reports will be used as a basis for measuring the links

between poverty and environmental quality. Further efforts will also be undertaken to report on the global, regional and country linkages.

15. As a part of the process to mainstream environmental concerns in country programming, UNDP has now approved the roll-out of environmental safeguards for its country programmes and projects. Additional efforts will be devoted to developing an integrated framework for environmental and social safeguards for UNDP programmes and projects. Through the United Nations Environment Management Group, a consultative process to identify options for United Nations-wide environmental and social safeguards is being conducted. The process provides an opportunity for shared learning across the United Nations system and aims to help agencies, including UNDP, institutionalize an integrated approach to safeguards.

16. UNDP considers that capturing and disseminating knowledge as part of all its programme and project activities is a key mechanism for supporting the agency's national counterparts. Two specific tasks have been envisioned to expand efforts in this area: (a) instituting a systematic mechanism for capturing the knowledge of PEI country activities; and (b) building internal capacity for integrating this knowledge into the UNDP mainstreaming service-delivery model. The aim is to make the information available through a network of advisers in regional and country offices, so that national counterparts can have access to up-to-date knowledge and recent experiences relating to the integration of poverty-environment issues into national development strategies.

17. UNDP is pleased that the evaluation has identified its coordination efforts, particularly via the PEI, as "a model of how UNDP works together with UNEP and other agencies." In the next 24 months a significant number of UNDAFs will be prepared, and this will provide a valuable opportunity for addressing the poverty-environment nexus in a system-wide coherent manner. Significant efforts are already being made in this area, for example, by utilizing the United Nations Development Group (UNDG) guidance on mainstreaming environment and climate change in UNDAFs. However, the positive experience of PEI in mainstreaming poverty-environment issues suggest that it will be important to make use of knowledge networks (e.g., the Teamworks platform) and to link advisers in the various agencies, funds and programmes at the global, regional and country levels. It is important to stress that mainstreaming of the poverty-environment nexus cannot be achieved with a top-down approach, and thus efforts will focus on advocacy and policy support that promotes country-level programming and thereby facilitates national ownership of this process. Linking the review of UNDAFs with policy advice is important in order to advocate for the poverty-environment dimension.

18. The evaluation highlights a number of flagship joint programmes that UNDP has entered into as part of the environment agenda. These programmes show how UNDP has developed partnerships with other agencies in order to address global concerns. Good examples can be found in the joint programmes at the country level that are being carried out as part of the One United Nations initiative. This approach is currently being piloted in a number of countries, and among the programmes are some financed by the Millennium Development Goals Achievement Fund.

19. Climate change threatens to wipe out the progress made towards achieving the Millennium Development Goals, and thus there is a need to improve our knowledge both of quantitative aspects of the poverty-environment linkages and of how to sustain progress and build resilience in the development arena. The need to integrate sustainability, resilience and risk reduction into development approaches requires a collaborative effort within the UN system to support nationally led approaches. UNDP

brings to this effort the advantages of its country offices and Resident Coordinator function.

20. While the PEI is slated to conclude at the end of 2012, it is important that UNDP continues to work collaboratively with UNEP and other United Nations partners to ensure the ongoing success of the PEI approach after 2012. Part of this process will be to fix on the appropriate models of good practices in specific contexts. Capacity building and strengthening technical support to national stakeholders is integral to the process.

21. Given the specific challenges and opportunities that a multidimensional approach to programming presents, UNDP has welcomed this evaluation and appreciates the lessons it provides for continuous organizational improvements. The annex on the following pages outlines the evaluation's main recommendations and the UNDP responses.

List of acronyms

BCPR	Bureau for Crisis Prevention and Recovery
BDP	Bureau for Development Policy
CDG	Capacity Development Group
DOCO	Development Operations Coordination Office
DGG	Democratic Governance Group
EEG	Energy and Environment Group
EMB	Environment Management Group
GEF	Global Environment Facility
LCCRD	low-carbon, climate-resilient development
MDG	Millennium Development Goal
PEI	Poverty-Environment Initiative
PEF	Poverty-Environment Facility
PG	Poverty Group
RSC	regional service centre
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNEP	United Nations Environment Programme

Annex

Key recommendations and management response

Evaluation recommendation 1. *UNDP should ensure that practice follows principles. Apart from following policy and advocacy, there is a need to learn from good practices and to replicate successes.*

Management response.

Ensuring practice follows principles requires working arrangements conducive to cross-practice collaboration. There is already recognition of principles and practice which benefit both poverty reduction and environmental enhancement. The initial focus of UNDP collaboration will be on enhancing development effectiveness by improved knowledge-management processes in the poverty-and-environment area. These improvements will center, inter alia, on: mainstreaming poverty-environment concerns; food security and the environment; crisis vulnerability and recovery; gender-poverty-environment issues; biodiversity and poverty alleviation; local management of natural resources for pro-poor growth; and issues surrounding urban poverty and environmental quality. These efforts will need to learn from current activities such as the GEF Small Grants Programme, other GEF-funded programmes and projects, country programmes developed under the Poverty-Environment Initiative, country programmes addressing poverty-environment linkages, and country programmes that take holistic approaches to development. Such learning will be instrumental in helping UNDP provide greater support to national counterparts so that they can make progress on Millennium Development Goals acceleration and sustainability, as well as in emerging areas such as low-carbon, climate-resilient development and the green economy (including access to energy).

Key action(s)	Time frame	Responsible unit(s)	Tracking*	
			Comments	Status
1.1 Develop formal working arrangements between poverty and environment practice areas in UNDP to explore practice on MDGs, LCCRD and green economy.	Commence first quarter 2011 and ongoing	BDP EEG/PG regional bureaux country offices		
1.2 Prepare and disseminate a flagship synthesis report on poverty-environment practice (related to MDGs, LCCRD and green economy) and on how the policy view can add to sustainable development.	Ongoing to end 2012	BDP EEG/DGG/Gender Team/PG regional bureaux* country offices* BCPR PEI * where appropriate		

Evaluation recommendation 2. ***The Poverty-Environment Initiative represents good practice and should be scaled up to provide a model of how UNDP does business at the country level. It should also be used as a model for working together with UNEP and other agencies.***

Management response:

The PEI has been specifically designed for framing the poverty-environment situation and for mainstreaming these issues into national development processes of countries, as articulated in the overarching programme document "Mainstreaming Environment for Poverty Reduction and Pro-poor Growth: Proposal for Scaling-up the Poverty Environment Initiative" (April 2007). The PEI programme is due to finish at the end of 2012, and UNDP recognizes that the PEI contains examples of good practices that it would be good to mainstream to promote sustainable development. UNDP will endeavor to: (a) capture and systematize the lessons learned from the PEI; (b) mainstream this information as part of the 2008-2013 Strategic Plan; and (c) prepare a longer-term model for poverty-and-environment practice with UNEP and other agencies.

Given that PEI primarily addresses the needs of least developed countries, an analysis will be conducted on how to adapt the integrated poverty-environment approach to other country typologies, including middle-income countries.

Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
2.1 Prepare a detailed report on country experience in relation to mainstreaming poverty-environment issues	First quarter 2012	BDP EEG PG PEI		
2.2 Develop a strategy for continuing working arrangements between UNDP-UNEP and other agencies on poverty-and-environment practice after the expiration of the PEI. Specific focus will be on how country-level programming can be supported with improved technical-guidance facility.	End 2012	BDP DOCO regional bureaux country offices		

Evaluation recommendation 3. ***UNDP should provide guidelines and create verifiable indicators in order to further integrate poverty reduction and environmental protection into other UNDP operations. It must also invest in developing the capacity of its staff.***

Management response:

One of the main issues associated with the poverty-and-environment debate is the need for better quantitative understanding of how the two fields are linked, treated and monitored so as to achieve positive results. There are difficulties in providing common indicators because the existing range of economic, geographic and thematic indicators tend to incorporate different methods of measurement. These various indicators and methods have been

developed by several agencies and institutions, including UNDP and UNEP through the PEI. This wide range of information needs to be further refined and made applicable to country programming. UNDP will make additional efforts to develop quantitative frameworks for understanding poverty-and-environment practice in various contexts.

In addition, there are verifiable indicators that can be developed from existing UNDP programmes and projects. For example, in 2010, more than 280 UNDP projects financed by the Global Environment Facility (not including the Small Grants Programme) monitored and reported on progress made against a limited number of poverty-environment indicators. Further, a quality review of the terminal evaluations for more than 30 UNDP projects financed by the GEF will examine poverty-environment nexus issues in the design, implementation and results of these projects. Should these initial steps prove useful, they could form the basis for the development of guidelines and training in knowledge management and as regards the reporting of poverty-and-environment outcomes.

Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
3.1. Undertake a quality review of more than 30 project terminal evaluations of UNDP projects which were financed by the GEF and undertaken in 2010. Objective is to examine poverty-environment nexus issues in the design, implementation and results of these projects.	Ongoing	BDP/EEG		
3.2. In association with other practices develop guidelines on indicator sets that can be applied to assist in measuring sustainable development in the context of poverty-and-environment considerations.	First quarter 2012	BDP/EEG/PG/CDG/DGG Gender Team regional bureaux country offices PEI		
3.3. Prepare guidance and on-line training package for country offices on how to support national counterparts in integrating, monitoring and evaluating poverty-environment considerations.	Mid 2012	BDP/EEG/PG regional bureaux country offices		
3.4 Continue UNDP's mainstreaming service-delivery model, ensuring that the UNDAF process integrates the environment while focusing on the MDGs. This will be achieved by: (a) continued staff training on UNDG guidance and integrating environment into UNDAFs; (b) promoting technical review of UNDAFs and inclusion of poverty-environment dimensions in MDGs.	Ongoing	BDP/EEG/PG regional bureaux country offices		

Evaluation recommendation 4. ***UNDP must overcome the functional silos that prevent cooperation and integration between focus areas. Analysis of poverty and environment priorities should be incorporated into governance, crisis prevention and recovery, and gender support activities, and, vice-versa.***

Management response:

A number of actions will build on the successful poverty-environment nexus approach to enhance UNDP's multi-dimensional response to development challenges. These include: (a) expanding the nexus view both to include relevant crisis-prevention and recovery issues, particularly those related to disaster risk reduction, and to take gender issues into consideration; (b) rolling out UNDP's environmental safeguards into country programmes and projects; (c) continuing the development of social safeguards for UNDP programmes and projects; and (d) advocating poverty-environment practice within regional cluster meetings and community of practice meetings.

Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Comments	Status
4.1. Integrate the poverty-environment perspective and the MDG sustainability framework in the contexts of disaster risk reduction and post-crisis recovery.	Ongoing	BDP/EEG PG BCPR		
4.2. Roll out environmental safeguards in UNDP programming.	End 2011	BDP/EEG RSC country offices		
4.3. Continue to collaborate with relevant communities of practice to harmonize the approach to developing an integrated environmental and social safeguards framework.	Ongoing	BDP/EEG regional bureaux, country offices RSCs EMG		